

RANE GROUP TO SCALE BACK FY13 CAPEX

New Delhi: Auto components maker Rane Group said it will scale back planned investments for this fiscal due to adverse market conditions. The company, which makes various auto components, including steering wheels and brakes, is also pushing back the timeline for touching ₹3,000 crore turnover. "We had earmarked ₹230 crore for capex this year. Indications are not good so we might cut FY13 capex significantly," Rane Group Chairman L Ganesh said on the sidelines of ACMA annual convention. The group would take a view by October to decide on the cut, he added.

Rane Group to scale back FY13 capex

Press Trust of India

New Delhi, Sept. 5

Auto components maker Rane Group today said it will scale back planned investments for this fiscal due to adverse market conditions.

The company, which makes various auto components, including steering wheels and brakes, is also pushing back the timeline for touching Rs 3,000 crore turnover.

“We had earmarked Rs 230 crore for capex this year.

“Indications are not good so we might cut FY13 capex significantly,” Rane Group Chairman L. Ganesh told reporters here on the sidelines of ACMA annual convention.

The group would take a view by October to decide on the cut, he added.

The group’s capex for the FY12 stood at Rs 210 crore.

Commenting on plans for touching a turnover of Rs 3,000 crore by the end of this fiscal, he said: “For the next two years it’s not going to happen.”

Last year, the group had recorded sales of Rs 2,400 crore.

“At the start of this year we were aiming to grow by 15 per cent but the way things are going it’s going to be tough,” Ganesh said.

The Chennai-headquartered firm currently gets around 15 per cent of its revenues from exports.

“The US market is doing fine but there is a slowdown in Europe and that is a matter of concern,” he said, adding both the US and Europe contributed nearly 80 per cent of its export revenues.

Auto component sector to clock 8-10% growth this fiscal: ACMA

fe Bureau

New Delhi, Sept 5: The Indian auto component sector is likely to clock a growth of 8-10% this fiscal amid tough market environment, industry body ACMA said on Wednesday.

"In 2012-13, the domestic auto component industry is expected to witness a growth of 8-10%, while exports are likely to increase by 15-20%," Automotive Component Manufacturers Association of India (ACMA) executive director Vinnie Mehta said.

Speaking at the annual convention of the body, he said in 2011-12, the component industry had a revenue of \$43.5 billion, while exports stood at \$7 billion. "Imports by the component industry was at \$10.25 billion, while investment of \$1.6-1.9 billion was made in the last fiscal," Mehta said.

Commenting on the overall macroeconomic environment, ACMA outgoing president Arvind Kapur said: "The Indian economy is experiencing not just an ordinary slowdown but a sharp downturn in investment cycle, domestic policy paralysis and uncertain trade environment.

"However, one must not forget that under penetrated markets and the unfulfilled mobility aspirations of the people of India are the silver lining that gives us the confidence of a steady growth trajectory".

At the end of its annual convention, ACMA said it has elected Bharat Gears chairman and managing director Surinder Kanwar as the new president, while Rane TRW managing director Harish Lakshman has been elected as the new vice-president for a year's term each.